

**Illinois Department of Revenue
Regulations**

Title 86 Part 700 Section 700.320 Penalty for Negligence

TITLE 86: REVENUE

**PART 700
UNIFORM PENALTY AND INTEREST ACT**

Section 700.320 Penalty for Negligence

- a) *If any return or amended return is prepared negligently, but without intent to defraud, and filed, in addition to any penalty imposed under Section 3-3 of this Act, a penalty shall be imposed in an amount equal to 20% of any resulting deficiency.*
- b) *Negligence includes any failure to make a reasonable attempt to comply with the provisions of any tax Act and includes careless, reckless, or intentional disregard of the law or rules. (Section 3-5 of the Act)*
- c) *Penalty for negligence shall not apply where an assessment results from a reasonable difference of opinion as to taxability. (Section 3-5 of the Act) A reasonable difference as to taxability may be established by evidence that shows that the issue in dispute between the taxpayer and the Department is:*
 - 1) not resolved by the plain language of the statute;
 - 2) an issue about which the Department has not adopted a rule of general applicability;
 - 3) an issue about which the Illinois Supreme Court has not ruled and there are inconsistent opinions of the Illinois Appellate Courts.